

**SARATOGA COUNTY PROSPERITY  
PARTNERSHIP, INC.**

**(A Component Unit of the County of  
Saratoga, New York)**

**FINANCIAL STATEMENT**

**DECEMBER 31, 2018 AND 2017**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Saratoga County Prosperity Partnership, Inc.  
Malta, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Saratoga County Prosperity Partnership, Inc. (a nonprofit organization), a component unit of the County of Saratoga, New York, which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga County Prosperity Partnership, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2019, on our consideration of Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting and compliance.

*WEST & COMPANY CPAs PC*

Saratoga Springs, New York  
March 18, 2019

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2018 AND 2017**

<b>- <u>ASSETS</u> -</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 57,681	\$ 79,727
Accounts receivable	19,550	1,000
Prepaid expenses	7,819	6,465
	85,050	87,192
<b>PROPERTY AND EQUIPMENT:</b>		
Property and equipment	16,744	16,744
Less accumulated depreciation	(3,538)	(2,236)
	13,206	14,508
<b>Property and equipment - net</b>	<b>13,206</b>	<b>14,508</b>
<b>TOTAL ASSETS</b>	<b>\$ 98,256</b>	<b>\$ 101,700</b>
<b>- <u>LIABILITIES AND NET ASSETS</u> -</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 18,853	\$ 16,988
Accrued expenses	15,735	16,106
	34,588	33,094
<b>Total liabilities</b>	<b>34,588</b>	<b>33,094</b>
<b>NET ASSETS:</b>		
Without donor restrictions	63,668	68,606
	63,668	68,606
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 98,256</b>	<b>\$ 101,700</b>

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES:</b>		
County revenue		
General fund	\$ 231,827	\$ 277,523
Occupancy tax	543,173	497,477
Grant income	18,006	10,500
Event income	67,347	45,166
	860,353	830,666
<b>EXPENSES:</b>		
Contractual expenses:		
Legal	32,259	13,929
	32,259	13,929
Total contractual expenses	32,259	13,929
General and operating expenses:		
Depreciation	1,302	1,139
Dues and memberships	14,401	2,933
Employee benefits	60,960	40,549
Insurance	9,017	3,207
Marketing	99,644	92,858
Miscellaneous	23,767	15,594
Office furniture	1,250	913
Office supplies	2,367	2,853
Payroll service	4,619	1,093
Payroll taxes	24,689	25,593
Program expenses	191,652	213,820
Rent	37,405	37,784
Salaries	342,409	321,169
Travel	13,054	12,835
Utilities	6,496	5,020
	833,032	777,360
Total general and operating expenses	833,032	777,360
	865,291	791,289
<b>Total expenses</b>	<b>865,291</b>	<b>791,289</b>
Change in net assets	(4,938)	39,377
Net assets - beginning of year	68,606	29,229
Net assets - end of year	\$ 63,668	\$ 68,606

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2018**

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	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Legal	\$ 0	\$ 32,259	\$ 32,259
Depreciation	0	1,302	1,302
Dues and memberships	14,401	0	14,401
Employee benefits	36,942	24,018	60,960
Insurance	0	9,017	9,017
Marketing	92,015	7,629	99,644
Miscellaneous	0	23,767	23,767
Office furniture	0	1,250	1,250
Office supplies	0	2,367	2,367
Payroll service	0	4,619	4,619
Payroll taxes	14,962	9,727	24,689
Program expenses	191,652	0	191,652
Rent	12,344	25,061	37,405
Salaries	207,500	134,909	342,409
Travel	7,911	5,143	13,054
Utilities	325	6,171	6,496
<b>TOTALS</b>	<u><u>\$ 578,052</u></u>	<u><u>\$ 287,239</u></u>	<u><u>\$ 865,291</u></u>

See accompanying notes and independent auditors' report.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (4,938)	\$ 39,377
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	1,302	1,139
(Increase) decrease in:		
Accounts receivable	(18,550)	(1,000)
Prepaid expenses	(1,354)	4,535
Increase (decrease) in:		
Accounts payable	1,865	9,875
Accrued expenses	(371)	3,405
Due to Saratoga County	0	(23,166)
	(22,046)	34,165
<b>Net cash provided (used) by operating activities</b>	<b>(22,046)</b>	<b>34,165</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	0	(1,390)
	0	(1,390)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(22,046)</b>	<b>32,775</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>79,727</b>	<b>46,952</b>
	<b>79,727</b>	<b>46,952</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 57,681</b>	<b>\$ 79,727</b>
	<b>\$ 57,681</b>	<b>\$ 79,727</b>

See accompanying notes and independent auditors' report.



**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Saratoga County Prosperity Partnership, Inc. (the Partnership), is a special purpose local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Partnership is an instrumentality of, but separate and apart from, the County of Saratoga, New York (the County). Although legally separate from the County, the Partnership is a component unit of the County and, accordingly, is included in the County's financial statements as a discretely presented component unit.

The Partnership's mission is to publicize and promote the advantages of the County and the Region as a place where employers and entrepreneurs can successfully locate new and expanded operations. The Partnership, through its promotional program, shall attract and encourage prospective employers in a wide range of economic activity, including but not limited to manufacturing, agri-business, education, clean and renewable energy production and technology, business services, international trade, high-tech and broadband services and infrastructure, information technology, research, and tourism to locate to or expand within the County.

**Basis of Accounting and Presentation**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Partnership and changes therein are classified as follows:

**Net assets without donor restrictions** – Net assets that are not subject to imposed restrictions and may be expended for any purpose in performing the primary objectives of the Partnership. The Partnership's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where by the donor has stipulated that the funds be maintained in perpetuity. The Organization had no net assets with donor restriction as of December 31, 2018 and 2017.

**Financial Statement Presentation**

The financial statements are presented in accordance with *Not-for-Profit Entities* (FASB ASC), which requires the Partnership to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. There are no net assets with donor restriction at December 31, 2018.

**Cash and Cash Equivalents**

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less, or which are redeemable on demand. Fair value approximates carrying amounts.

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Accounts Receivable**

The Partnership does not maintain any allowance for estimated uncollectible accounts. It is management's opinion that all receivables are collectible.

**Income Taxes**

Saratoga County Prosperity Partnership, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provisions for taxes in the accompanying financial statements. The Partnership has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

**Uncertain Tax Positions**

The Partnership files information returns in its U.S. federal jurisdiction and New York State. The Partnership's returns for its years ended December 31, 2018 and 2017, are subject to U.S. federal and New York State examination.

The Partnership follows the provision of uncertain tax positions as addressed in FASB ASC 740. The Partnership has been granted tax exempt status as a nonprofit organization, which management believes would be accepted upon examination by the taxing authorities. Management has determined that it currently has no other uncertain tax positions to report for the year ended December 31, 2018.

**Functional Expenses**

The cost of providing certain activities of the Partnership have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributable to the operation of the Partnership and administrative support. These expenses include rent, utilities, salaries, payroll taxes and other benefits. Rent and utilities have been allocated based on a square footage basis. Other expenses are allocated based on estimates of time and effort.

**Advertising Costs**

The Partnership's policy is to expense advertising costs in the period in which incurred. Advertising expense for the years ended December 31, 2018 and 2017 was \$99,644 and \$92,858, respectively.

**Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

Property and equipment are recorded at cost when purchased. Property and equipment, with an original cost of \$1,000 or greater, are capitalized when purchased. Repairs and maintenance are expensed and betterments that extend the life or capacity of the asset are capitalized. Depreciation is recorded on the straight-line basis. The useful life used to depreciate assets are as follows:

Leasehold Improvements	10 years
Equipment	5 years
Furniture/Fixtures	7 years

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.**  
**(A Component Unit of the County of Saratoga, New York)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

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**NOTE 2 – DUE (TO) FROM THE COUNTY OF SARATOGA**

The Partnership receives a contract each year from the County, 50% of all unused general fund monies must be returned at the end of the year. In 2018 and 2017, the County appropriated \$231,827 and \$277,523, respectively, to the Partnership. The Partnership owed \$-0- as of December 31, 2018 and 2017.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

A board member who resigned in April, 2017 is president of the entity that owns the building the Partnership leases. The Partnership made lease payments totaling \$37,405 and \$37,784 during the years ended December 31, 2018 and 2017.

A board member is an officer of the financial institution that the Partnership utilizes.

A board member is the owner of a company that is the custodian of the Partnership's retirement plan, a 401k plan in 2018 and a SIMPLE IRA plan in 2017. The Partnership contributed \$27,869 and \$18,541 to the plan during the years ended December 31, 2018 and 2017, respectively.

**NOTE 4 – LEASE COMMITMENTS**

The Partnership rents office space in Malta, New York under a lease agreement ending January 31, 2020. The lease states that the Partnership will pay a base rent of \$2,162.33 per month with an additional amount based on operating costs to be calculated by the landlord annually through January 31, 2020.

Rent expense totaled \$37,405 and \$37,784 for the years ending December 31, 2018 and 2017, respectively.

**NOTE 5 – LIQUIDITY**

The Partnership has a policy of consistently monitoring cash flow and liquidity to confirm it is able to meet operating and contractual commitments. With over 90% of revenue being received at the beginning of the year there is a strong sense of monthly overhead expenses and cash needs. The Partnership is prudent in spending and tracks this to the budget on a monthly basis.

The Partnership maintains sufficient operating cash on hand to support its operations. There are no restrictions on its operating cash account, therefore at December 31, 2018, the Partnership had \$57,681 of cash on hand to meet general expenditures within one year. The Partnership has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 57,681	\$ 79,727
Accounts receivable	19,550	1,000
	<u>\$ 77,231</u>	<u>\$ 80,727</u>

**NOTE 6 – SUBSEQUENT EVENTS**

The Partnership has evaluated subsequent events through the issuance date of the report. None were considered material to the issued financial statement.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Saratoga County Prosperity Partnership, Inc.  
Malta, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saratoga County Prosperity Partnership, Inc., as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Saratoga County Prosperity Partnership, Inc.'s basic financial statements, and have issued our report thereon dated March 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Saratoga County Prosperity Partnership, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saratoga County Prosperity Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Saratoga County Prosperity Partnership, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Saratoga County Prosperity Partnership, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WEST & COMPANY CPAs PC*

Saratoga Springs, New York  
March 18, 2019